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October 27, 2003  
***Via Overnight Delivery***

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32790-0200

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Tel: 407-740-8575  
Fax: 407-740-0613  
tmi@tminc.com

RE: Application and Petition for Certificate of Convenience and Necessity to Provide  
Intrastate Telecommunications Services for **T.N.C., Inc.**  
**Docket No. T-04213A-03-0751**

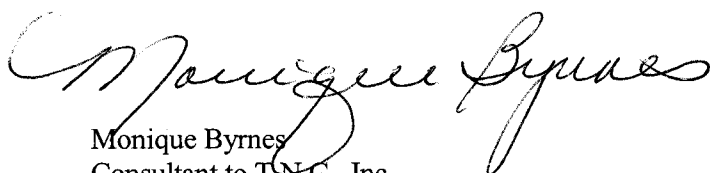
Dear Sir/Madam:

Enclosed for filing are the original and thirteen (13) copies of the response, filed on behalf of T.N.C., Inc. to Staff's First Set of Data Requests in the above-mentioned docket.

Please acknowledge receipt of this filing by date stamping the extra copy of this cover letter and returning it in the self-addressed, stamped envelope enclosed for this purpose.

Any questions you may have regarding this filing may be directed to me at 407-740-8575 or via email at [mbyrnes@tminc.com](mailto:mbyrnes@tminc.com).


Sincerely,

  
Monique Byrnes  
Consultant to T.N.C., Inc.

cc: C.Canfield - Telenational  
file: Telenational - AZ  
tms: 5553AZi0300a

Arizona Corporation Commission  
**DOCKETED**

OCT 28 2003

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Staff's First Set of Data Requests for  
T.N.C., Inc.  
Docket No. T-04213A-03-0751

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AZ DEPT. OF COMMISSION  
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Please make sure each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this application, the following information must be submitted:

1. Please indicate if T.N.C. is an Arizona or Foreign Corporation. Refer to item (A-7 of the application form).

T.N.C. is a foreign corporation. The Certificate of Good Standing, issued by the State of Arizona was included in Attachment A and indicates the company was organized under the State of Delaware and obtained authority to transact business in Arizona on June 26, 2002.

2. Please indicate T.N.C.'s net income for the time period ending December 31, 2002. Refer to item (B-2) of the application form.

Please see Income Statement attached.

**Telenational Communications, Inc.**  
**Income Statements**  
for the one month and twelve months ended December 31, 2002

	for the one month ended December 31, 2002	% of Income	for the twelve months ended December 31, 2002	% of Income
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
6080 · International Revenue	419,995.15	67.05%	5,222,834.70	70.85%
6102 · Carrier Revenue	193,344.34	30.87%	1,977,876.93	26.83%
6100 · Monthly Recurring Charge	4,101.47	0.66%	29,486.47	0.4%
6101 · Monthly Non-Recurring Charges	11.50	0.0%	305.50	0.0%
6300 · Billing Fees	10,377.30	1.66%	134,013.74	1.82%
6000 · Transaction Fees	328.60	0.05%	2,003.15	0.03%
9050 · Other Revenue	1,612.83	0.26%	23,014.70	0.31%
6301 · Revenue Adjustments	-3,384.61	-0.54%	-18,166.61	-0.25%
<b>Total Income</b>	<b>626,386.58</b>	<b>100.0%</b>	<b>7,371,368.58</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>				
7000 · Cost of Sales	358,648.10	57.26%	4,082,710.54	55.39%
7010 · Recurring Charges	22,884.34	3.65%	295,454.32	4.01%
<b>Total COGS</b>	<b>381,532.44</b>	<b>60.91%</b>	<b>4,378,164.86</b>	<b>59.39%</b>
<b>Gross Profit</b>	<b>244,854.14</b>	<b>39.09%</b>	<b>2,993,203.72</b>	<b>40.61%</b>
<b>Expense</b>				
8000 · Agent Commissions	55,136.76	8.8%	659,780.15	8.95%
8010 · Advertising & Promotion	6,878.17	1.1%	77,515.65	1.05%
8040 · Bad Debt Expense	0.00	0.0%	42,000.00	0.57%
8050 · Bank Service Charges	1,470.70	0.24%	17,975.49	0.24%
8051 · Credit Card Fees	7,556.42	1.21%	75,055.69	1.02%
8070 · Delivery Expense	355.87	0.06%	4,888.35	0.07%
8075 · Amortization	0.00	0.0%	0.00	0.0%
8080 · Depreciation Expense	3,049.59	0.49%	19,147.73	0.26%
8085 · Donations	50.00	0.01%	50.00	0.0%
8096 · Equipment Lease	525.38	0.08%	7,020.10	0.1%
8095 · Equipment Maintenance	0.00	0.0%	2,191.58	0.03%
8190 · Repairs & Maintenance	2,095.00	0.33%	26,252.90	0.36%
8097 · Internal Network	0.00	0.0%	771.92	0.01%
8100 · Insurance	923.25	0.15%	4,616.25	0.06%
8110 · Licenses & Fees	4,022.20	0.64%	122,852.06	1.67%
8130 · Office Expense	4,056.92	0.65%	25,469.16	0.35%
8150 · Postage	2,596.94	0.42%	32,809.72	0.45%
8155 · Printing and Reproduction	575.49	0.09%	24,224.77	0.33%
8055 · Billing Services	7,186.00	1.15%	91,584.51	1.24%
8066 · Outside Services	651.25	0.1%	36,960.02	0.5%
8170 · Professional Fees				
8171 · Legal Fees	0.00	0.0%	10,246.68	0.14%
8172 · Accounting Fees	1,280.00	0.2%	24,590.00	0.33%
8173 · Tax Consulting Fees	1,771.51	0.28%	17,877.00	0.24%
8176 · Consulting Fees	4,224.80	0.67%	59,393.87	0.81%
<b>Total 8170 · Professional Fees</b>	<b>7,276.31</b>	<b>1.16%</b>	<b>112,107.55</b>	<b>1.52%</b>
8180 · Rent	6,609.33	1.06%	80,188.50	1.09%
8185 · Property Tax Expense	0.00	0.0%	-1,234.92	-0.02%
8186 · Franchise Tax Expense	0.00	0.0%	50.00	0.0%
8200 · Salaries				
8201 · Gross Salaries	70,571.82	11.27%	775,352.07	10.52%
8202 · Salaries - Bonus	-720.00	-0.12%	4,880.00	0.07%
8210 · W/C Insurance	239.93	0.04%	2,668.95	0.04%
8211 · Employee Benefits	7,909.00	1.26%	82,192.95	1.12%
8215 · Payroll Tax Expenses	5,629.65	0.9%	61,200.57	0.83%
8216 · Payroll Management Fee	1,397.34	0.22%	15,710.12	0.21%
8220 · 401K Expense	940.74	0.15%	12,806.01	0.17%
8221 · PS Bonus accrual	-2,581.67	-0.41%	6,111.33	0.08%
<b>Total 8200 · Salaries</b>	<b>83,386.81</b>	<b>13.31%</b>	<b>960,922.00</b>	<b>13.04%</b>
8230 · Taxes, Licenses, and Permits	0.00	0.0%	739.39	0.01%
8240 · Telephone	536.68	0.09%	19,899.91	0.27%
8250 · Travel & Ent				

**Telenational Communications, Inc.**  
**Income Statements**  
for the one month and twelve months ended December 31, 2002

	for the one month ended December 31, 2002		for the twelve months ended December 31, 2002	
		% of Income		% of Income
8251 · Meals	1,534.22	0.25%	17,363.88	0.24%
8252 · Entertainment	203.00	0.03%	3,365.30	0.05%
8253 · Travel	2,785.42	0.45%	30,624.29	0.42%
8250 · Travel & Ent - Other	0.00	0.0%	0.00	0.0%
Total 8250 · Travel & Ent	4,522.64	0.72%	51,353.47	0.7%
8256 · Gifts	1,069.26	0.17%	4,519.26	0.06%
8260 · Utilities	1,512.21	0.24%	14,689.14	0.2%
8270 · Misc Expense	163.29	0.03%	3,452.72	0.05%
Total Expense	202,206.47	32.28%	2,517,853.07	34.16%
Net Ordinary Income	42,647.67	6.81%	475,350.65	6.45%
Other Income/Expense				
Other Income				
9000 · Interest Income	0.00	0.0%	232.53	0.0%
9001 · Gain(Loss) Sale of Assets	0.00	0.0%	250.00	0.0%
Total Other Income	0.00	0.0%	482.53	0.01%
Other Expense				
9010 · Interest Expense	0.00	0.0%	37,605.80	0.51%
9999 · Suspense	0.00	0.0%	0.00	0.0%
Total Other Expense	0.00	0.0%	37,605.80	0.51%
Net Other Income	0.00	0.0%	-37,123.27	-0.5%
Net Income	42,647.67	6.81%	438,227.38	5.95%